this, more especially, is the case where Bank notes are redeemed a[...]
withdrawn to make room for it.

A resort to the first rules in arithmetic will demonstrate beyon[...]
dispute, that, with any given amount of specie in the country, and [...]
Bank notes, the larger portion of the specie in the Banks and the les[...]
ser in circulation, the greater would be the proportional means a[...]
abilitiy of the Banks to redeem their issues and sustain their cred[...]
at a time of pressure upon them, whether for foreign exportation [...]
from distrust of their solvency—and vice versa.

To make this appear, we will suppose the whole amount of spe[...]
in the country to be $100,000,000, and of bank notes $200,000,00[...]
and we will then suppose the whole $300,000,000 to be divided i[...]
various proportions between the banks and the general circulatio[...]
in the community.

Suppose the banks have in their vaults $90,000,000 of the speci[...]
and 10,000,000 of their notes;there would be in circulation $10,000,00[...]
of specie, and $190,000,000, of notes; in this case, the ban[...]
would have in circulation but little more than two dolla[...]
of their notes for each dollar of specie in their vaults—a situatio[...]
which will be generally admitted to be sound and secure, and su[...]
as would enable them to sustain any probable demand upon them.[...]

But let us suppose a reverse division of the specie and ba[...]
notes between the banks and the community, and see what woul[...]
then be the situation of the banks. Suppose they had but $10,000,00[...]
of the specie, and $90,000,000, of their notes on hand, the[...]
would be in general circulation $90,000,000 of specie a[...]
$110,000,000 of bank notes, viz: eleven dollars in bank not[...]
in circulation for each dollar in specie in the banks: a situatio[...]
which it is presumed would be generally considered unsafe and da[...]
gerous to their credit.

To show the contrast still further, suppose the banks to posse[...]
but $1,000,000 of specie and $99,000,000 of their notes,in such ca[...]
there would be in circulation $99,000,000, of specie a[...]
$101,000,000 of notes, or more than $100 in notes in ci[...]
culation for each dollar in the banks to meet their redemption: a s[...]
tuation which would not enable them to sustain themselves und[...]
even slight pressure or distrust, scarcely for a day.

But to meet and refute the popular error we are combatting, mo[...]
directly—suppose the banks to have $50,000,000 of the specie a[...]
$50,000,000, of their notes on hand, and that there be in circula[...]
$50,000,000,of specie and $150,000,000 of bank notes—in such ca[...]
the banks would have one dollar in specie for every three dollars [...]
their notes in circulation: (not far from their ordinary situation:) th[...]
would be quite a fair condition, and much better than many bank[...]
when in undoubted credit, could exhibit. But suppose one si[...]
only, or $25,000,000 of their circulation to be in notes of the smal[...]
er denominations; that those notes be redeemed by the banks, a[...]